



11 FISCAL/EQUIPMENT MANAGEMENT

Effective: 10/1/95

11.1 Expenditure of Program Funds

Revised: 4/1/06

Changes in bold

POLICY: Local WIC Agencies must follow specified state and federal WIC regulations when expending WIC and Farmers' Market Nutrition Program (FMNP) funds.

BACKGROUND: WIC Program funding includes two categories:

- Food
- Nutrition Services and Administrative (NSA)

Local Agencies with an approved Contract receive funding for Nutrition Services and Administrative (NSA) costs only. WIC Program NSA costs are budgeted and expended as Personnel, Consultant/Contractual, Agency Operations and Indirect Costs. These categories are further split into Administration, Client Services, Nutrition Education, Breastfeeding Services in accordance with state and federal requirements.

In addition to the Federal funds for WIC, the approved Contract may include Immunization Services in WIC, FMNP, and other special funding sources.

PROCEDURE:

A. ALLOWABLE COSTS

Allowable costs must be:

1. Necessary and reasonable for efficient administration of the WIC Program
 - a) Reasonable costs:
 - (1) provide the program a benefit generally commensurate with the costs incurred
 - (2) are consistent with the costs of similar items from other vendors
 - (3) are in proportion to other program costs for the function that the costs serve
 - (4) are a priority expenditure relative to other demands on available administrative resources
 - (5) have a proven or intuitive positive outreach or nutrition education impact
 - b) Necessary costs:
 - (1) are incurred to carry out essential program functions



- (2) cannot be avoided without adversely impacting program operations
2. Consistently treated in accordance with generally accepted accounting principles
3. Not included as a cost of any other federally financed program
4. All procurement and sub-contracting will be conducted in a manner to provide, to the maximum extent possible, open and free competition.

B. UNALLOWABLE COSTS

Unallowable costs include, but are not limited to the following:

1. Equipment replacement when items were not insured.
2. Bad debt expenses; any losses arising from uncollectible accounts and other claims, and related costs.
3. Interest is generally not an allowable expense under federal cost policies.
4. Fines and Penalties: costs resulting from violation of or failure to comply with federal, state, and local laws and regulations are not allowable. Such costs include fines, penalties, settlements resulting from lawsuits, payments to terminated employees, cash settlements, damages, and back wages.
5. Entertainment expenses; costs of amusements, social activities, and related incidental costs, such as meals, beverages, lodging, rentals, transportation and gratuities.
6. Legislative expenses; salaries and other expenses of the State legislature or other similar local governmental bodies, such as county supervisors, city councils, school boards, etc.
7. Lobbying expenses; no funds paid to or on behalf of any person influencing or attempting to influence an officer or employee of any agency, a Member (or employee of a Member) of Congress or State Legislature, in connection with the awarding or making of a Federal contract or Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan or cooperative agreement, or State funding.
8. Unemployment compensation; actual payments to the individual which could have been covered by permissible insurance, or through an approved self-insurance program are unallowable.



9. Cost of salaries, tuition or books for WIC staff to attend university or technical school courses. Exceptions must be approved in writing from the State WIC Office.
10. Staff bonuses, special incentive pay or any other lump sum/one time payments. Retroactive pay increases are allowable.
11. Financial audit costs if the agency receives less than \$300,000 in total federal funds.
12. Transportation of participants is generally unallowable, except in limited circumstances where there is documentation that such service is considered essential to assure program access and prior approval has been granted the State WIC Office.
13. Grant writing, if the main benefit of the grant is for another program or target audience (not WIC-eligible). A WIC-paid person could write such a grant, but would have to be paid through another funding source.
14. Contributions, donations: One Federal program cannot give its cash, property, and services as a gift to another Federal program as an individual or private organization might give these things to a charitable organization, fund or cause. See Policy 11.6, I Disposal of Equipment Purchased with WIC Funds.
15. Fund raising, where individuals or groups are requested to donate funds, may not be conducted on WIC paid time.
16. Medical equipment not directly used for the purpose of gathering height, weight and bloodwork for determining anemia, even if it serves to identify other manifestations of nutritional risk, e.g. blood lead levels or blood glucose.
17. Mid-certification blood tests (Hct/Hgb) except as required to comply with Policy 3.11 Nutrition Risk Determination: Hematological Procedures.
18. Pregnancy tests
19. Blood lead screenings, including the time and materials associated with drawing blood, preparing the sample, packaging, mailing, and follow-up with the participant, provider and health department. If blood is either drawn or drawn and tested for WIC eligibility and lead testing at the same time, WIC and the lead program must each pay its fair share of the total cost as determined by a time study. WIC's share of the total cost will not exceed the amount it would pay if it conducted its blood iron test for WIC eligibility separately.



20. Costs of purchasing vaccine, or the staff time and supplies associated with providing immunizations; immunization incentive items.
21. Individual membership fees to professional associations or organizations. This includes “registration” for the American Dietetic Association.
- 22. New: Physical activity promotion costs that include fitness center dues or memberships; exercise equipment, such as treadmills, stationary bicycles, hand weights, mats, steppers, resistance bands, etc.; facility rental or modifications for physical activity purposes; and exercise classes (one-time or ongoing) and instructors for such classes.**

C. ADMINISTRATION

Allowable costs include all costs (direct or indirect) generally considered to be overhead or management costs; salary expenses and the cost of materials and equipment directly related to activities other than client services, nutrition education or breastfeeding support, or immunization.

1. Salaries and fringe benefits of WIC staff performing administrative functions.
 - a) fiscal activities including accounting and bookkeeping, cost of payroll and personnel services, monthly expenditure reports
 - b) administrative activities including caseload management, audits, staff supervision functions, outreach, general management, clerical support, vendor management, program integrity
2. Grant writing, for which the main benefit is the WIC-eligible population. If the grant is received, the costs associated with writing the grant are "pre-award" costs and could be shifted to the new grant.
3. Travel expenses for WIC staff for vendor management, WIC meetings and for purposes of outreach.
4. Professional development in the area of administration, program management and operations, or relevant computer software training including travel expenses and registration fees.
5. Recruitment of WIC staff.
6. Administrative and office supplies, and equipment necessary for the efficiency and comfort of staff and participants.



7. Maintenance, repair and insurance for office equipment purchased for the local agency, except ROSIE data system computers purchased by the State WIC Office.
8. Rent for clinic and office space; prorated appropriately between programs sharing the space.

Example: WIC and Immunization share a waiting area. WIC uses it two days a week and Immunization one day a week. It is unused the other two days. WIC may be charged for up to 4 days, but may not be charged for the one day it is used by Immunization.

9. Real property costs or repairs such as those that materially increase the value or useful life of capital assets; such as a door, window coverings, paint, flooring, etc. See Policy 11.9 Real Property.
10. Routine maintenance, repair or upkeep of property which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, e.g. painting, cleaning, routine repairs. **Maintenance is an operating expense rather than a capital expenditure and does not require prior approval.**
11. Interest for space costs if there is a direct relationship such as a mortgage or bond issuance, and Department of Health and Family Services (DHFS) allows financing costs for specific items of equipment such as leases.
12. Telephone and FAX equipment, installation, supplies, maintenance and monthly charges related to administration and operations, including cellular phones (if no phone is available at the clinic) and toll-free numbers. Equipment costs of \$1,000 or more require prior approval; see Policy 11.6.
13. Postage costs for vendor, outreach, coordination and other administrative purposes.
14. Printing of administrative materials.
15. Costs of outreach to potential WIC participants including the actual costs for outreach, i.e. space or time in various media such as newspaper, magazines, billboards, television or radio; outreach materials and supplies.
16. Program incentive items for outreach may be purchased with prior approval from the State WIC Office when they are of nominal value and for use by program participants or potential participants, and should:
 - a) contain a WIC-specific message that targets the potentially eligible population



- b) normally be seen in public
- c) be for publications or other printed material that include program information, contain an FNS-approved nondiscrimination statement
- d) have value as outreach devices that equal or outweigh other uses
- e) include WIC contact information such as the State or local agency name, address and/or telephone number
- f) constitute (or show promise of) an innovative or proven way of encouraging WIC participation

Some examples of allowable items for outreach are: t-shirts, buttons, bibs, toothbrushes, pens, cups or other items of nominal value with reasonable opportunity for public display that contain a WIC promotional message.

Note of Caution: Local agencies should be sensitive to the possible perception by the public that incentive items may be viewed as a frivolous use of program funds.

17. Cost of agency memberships in technical or professional organizations provided the 1) benefit from the membership is related to the WIC Program or Nutrition, 2) expenditure is for agency membership and not an individual, 3) cost of the membership is reasonably related to the value of the services or benefits received, and 4) expenditure is not for membership in an organization which devotes a substantial part of its activities to influencing legislation. Examples of allowable agency membership costs include the Wisconsin WIC Association and National WIC Association.

D. CLIENT SERVICES

Allowable costs include all costs to deliver food and other client services and benefits.

- 1. Salaries and fringe benefits of WIC staff performing client services.
 - a) certification including intake, health screening, diet assessment, file folder preparation, filing, etc.
 - b) basic health information provided during the certification appointment or secondary education session, e.g., parenting, toilet training
 - c) ROSIE system activities as related to WIC program operations and draft issuance, including the explanation of the use of WIC drafts



- d) coordination with other programs that promote a broader range of health and social services for participants
- e) to conduct and participate in surveys and studies that evaluate the impact of WIC on participants
- 2. Travel expenses for WIC staff to travel to and from WIC clinic sites, and to participant homes to provide WIC benefits, if necessary.
- 3. Transportation of participants in limited circumstances when prior approval is granted by the State WIC Office and there is documentation that such service is considered essential to assure program access. Participants may not be charged for transportation costs.
- 4. Medical equipment and supplies necessary for collecting heights, weights and bloodwork for anemia, including the cost of purchasing and laundering lab coats. Supplies for blood lead testing are not allowed.
- 5. Cost of Hepatitis B vaccinations for WIC staff.
- 6. Telephone and FAX equipment, installation, supplies, maintenance and monthly charges related to client services. Equipment costs of \$1,000 or more require prior written approval; see Policy 11.6.
- 7. Postage costs for WIC participant and client services.
- 8. Printing of materials related to client services, and not related to nutrition education, breastfeeding, or immunization.

Note: the costs of developing and printing educational materials are allowable WIC costs if the publications are targeted to and used for WIC's population. If it is to be used for programs other than WIC, those programs should pay a fair and equitable share of the costs.

E. NUTRITION EDUCATION

Allowable costs include salary expenses and the cost of materials and equipment directly related to nutrition education activities. Nutrition education activities are those that are distinct and separate efforts to help participants understand the importance of nutrition to health.

New: Program materials and resources that teach, promote, and reinforce the health benefits associated with physical activity are allowable nutrition education costs. These should be designed for the target audience and include messages that link nutrition and physical activity.



1. Salaries and fringe benefits of WIC staff for:
 - a) time spent on nutrition education consultations, whether with an individual or group, including the time necessary to conduct the session as well as time spent for planning, preparation and documentation of the sessions
 - b) deliver/attend training on nutrition education, including the costs of related materials
 - c) professional development in the area of nutrition and nutrition education
2. Travel expenses for nutritionists traveling to and from WIC clinic or participant homes if necessary to provide nutrition services.
3. Travel expenses and registration fees for professional development in the area of nutrition and nutrition education.
4. **New: Nutrition education sessions that promote or reinforce physical activity and that contain a joint physical activity and nutrition message, such as “eat well, play hard”, or “Walk, Dance and Play”.**
5. **New: Contracting with certified health or fitness professionals to: 1) consult on the development or modification of materials and resources; 2) provide brief exercise demonstrations to participants; or 3) provide staff training on the health benefits of physical activity, how to promote physical activity, and how to facilitate behavior change in participants.**
6. Procurement and production of education materials including newsletters, handouts, flip charts, videotapes, food models or other teaching aids.

Note: the costs of developing and printing educational materials are allowable WIC costs if the publications are targeted to and used for WIC’s population. If it is to be used for programs other than WIC, those programs should pay a fair and equitable share of the costs.
7. Program incentive items for nutrition education may be purchased with prior approval from the State WIC Office when they are of nominal value and are for use by program participants or potential participants, and should:
 - a) be targeted to participants
 - b) be for publications or other printed material that also include any program information, contain an FNS-approved nondiscrimination statement



- c) have a clear and useful connection to particular WIC nutrition education **or physical activity** messages
- d) either convey enough information to be considered educational or be utilized by participants to reinforce nutrition education contacts
- e) have value as nutrition education aids that equal or outweigh other uses
- f) be distributed to the audience for which the items were designed (e.g., sippy cups distributed to mothers of infants who are learning or will be learning to drink from a cup during a relevant nutrition education contact)

Some examples of allowable items are calendars that contain important nutrition education messages, refrigerator magnets picturing the food pyramid, **water bottles, balls (for physical activity)**, and sippy cups that are provided to mothers of infants who are learning to drink from a cup as reinforcement of a relevant nutrition education session.

- 8. Mailing nutrition education materials to participants.
- 9. Conducting evaluations of nutrition education, including the collection of participant views.
- 10. Monitoring nutrition education.
- 11. Developing and evaluating nutrition workplans.
- 12. Prorated travel and related expenses incurred by WIC staff related to any of the above activities.
- 13. Prorated costs of clinic space devoted to educational and training activities related to nutrition **and physical activity**.
- 14. Interpreter and translator services for the provision of nutrition education.
- 15. Food for demonstrations and for sampling purposes by WIC participants as part of the agency's nutrition education program. Agencies must maintain records that support food purchases made for nutrition education.
- 16. Kitchen supplies/equipment for demonstrations to WIC participants as part of the nutrition education program.



F. BREASTFEEDING PROMOTION AND SUPPORT

Allowable costs include salary and fringe benefits expenses and the cost of materials and equipment directly related to breastfeeding promotion and support activities.

1. Salary and fringe benefits of WIC staff for:
 - a) time spent on breastfeeding support and promotion, whether with an individual or group, including the time necessary to conduct the session as well as time spent for planning, preparation and documentation of the sessions
 - b) professional development in the area of breastfeeding promotion and support
 - c) staff and non-WIC professionals to deliver or attend training on breastfeeding promotion and support, including the costs of related materials
 - d) for peer counselors and individuals hired to undertake home visits and other actions intended to assist women to continue with an initial decision to breastfeed
 - e) to participate in State and local planning committees dedicated to breastfeeding promotion
 - f) to evaluate breastfeeding initiatives, including the costs of materials
2. Breastfeeding aids such as breast pumps, breastshells, nursing bras and nursing pads which directly support the initiation and continuation of breastfeeding; for demonstrations, display and distribution to participants are allowed.
3. Breast pumps may be provided to WIC participants using Nutrition Services and Administration funds or breastpumps may be ordered from the State WIC Office for distribution to participants. See policy 3.41 Breastpumps that states conditions for providing breastpumps.
4. Program incentive items for breastfeeding support and promotion may be purchased with prior approval from the State WIC Office when they are of nominal value and are for use by program participants or potential participants, and should:
 - a) be for publications or other printed material that also include any program information, contain an FNS-approved nondiscrimination statement
 - b) have a clear and useful connection to promoting and supporting breastfeeding among current WIC participants



- c) either convey information that encourages and supports breastfeeding in general, informing participants about the benefits of breastfeeding, or offers support or encouragement to women to initiate and continue breastfeeding
- d) have value as breastfeeding promotion and support items that equal or outweigh other uses
- e) be distributed to audience for which the items were designed

Some examples of allowable items are: T-shirts, buttons or others items of nominal value with a breastfeeding promotion or support message (e.g., "Breast Fed is Best Fed").

- 5. Costs to develop and/or procure breastfeeding support and promotion materials including instructional curricula, newsletters, handouts, flip charts, videotapes, or other teaching aids.
- 6. Mailing breastfeeding education materials to participants.
- 7. Contractual agreements for evaluation of breastfeeding initiatives and the costs of materials.
- 8. Prorated costs of clinic space devoted to educational and training activities related to breastfeeding, including space and furniture set aside for nursing during clinic hours which would help provide an environment conducive to breastfeeding.
- 9. Interpreter and translator services for the provision of breastfeeding support and promotion.
- 10. Travel and related expenses incurred by WIC staff related to any of the above items.
- 11. Costs of reimbursable agreements with other organizations, public or private, to provide training and direct service delivery to WIC participants concerning breastfeeding promotion and support.

G. IMMUNIZATION

Allowable WIC immunization costs include salary and fringe benefits expenses and the cost of materials directly related to immunization activities and must equal or exceed the amount of funds allocated for immunization.

- 1. Salaries and fringe benefits of WIC staff for time spent on:
 - a) assessment and entry of WIC participant immunization **dates and/or status**



- b) referral to immunization providers and follow-up of compliance
 - c) education and outreach related to the importance of having children immunized and the necessity of bringing immunization records in to the WIC clinic
 - d) coordination with other health programs and providers re: immunization
2. Prorated travel expenses associated with the above activities.
 3. Procurement and production of education materials related to immunization that are targeted specifically to WIC participants.
 4. Mailing immunization reminders to participants.
 5. Monitoring and conducting evaluations of immunization status.
 6. Developing and evaluation immunization coordination workplans.

H. NEW: WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)

1. Allowable FMNP expenses that may be paid with WIC funds include:
 - a) Nutrition education relating to the FMNP, including salaries and the cost of educational materials.
 - b) The cost of surveying WIC participants related to fresh fruits and vegetable consumption.
 - c) The cost of registration, meals and other travel expenses to attend FMNP-related meetings considered beneficial to WIC.
 - d) The cost of reviewing certification records to verify eligibility as part of a joint management evaluation of WIC and FMNP.
 - e) The cost of workstations as long as the workstation is not used for the FMNP over 10% of the time.
2. The following FMNP expenses should be paid with FMNP funding or other source. These costs may not be paid with WIC funds.
 - a) FMNP site and vendor activities including, but not limited to recruitment, training, and monitoring activities.



- b) FMNP draft activities including, but not limited to issuance, “how-to-use” education, printing, and reconciliation.
- c) Printing FMNP site location sheets.
- d) Surveys relating to the FMNP that are not related to fruit and vegetable consumption.

I. BLOOD LEAD TESTING

Per WIC Final Policy Memorandum 2001-01 “WIC Allowable Costs-Clarification of WIC’s FY2001 Appropriations Act Provision Regarding Blood Lead Screening,” Allowable WIC lead costs include salary and fringe benefits expenses and the cost of materials directly related to the following activities.

- 1. Asking the parent or caregiver whether the child has had a blood lead screening test.
- 2. Referral to programs where they can obtain a blood lead test.
- 3. Reviewing the questionnaire for sources of dietary lead.
- 4. Emphasizing the importance of diet in the prevention and treatment of lead exposure and assisting in developing an appropriate plan for nutrition intervention.
- 5. Referrals of blood lead results to health care providers and health departments as mutually determined.
- 6. Documenting the blood lead level in the WIC records.

J. INDIRECT COSTS

Those costs that are incurred by an agency that are not readily chargeable to a particular program or function, but benefit all programs and functions operated by the agency. Indirect costs must be:

- 1. reasonable
- 2. documented in writing in an agency-wide Cost Allocation Plan and an agency-wide Indirect Cost Plan
- 3. allocated in a manner consistent with the above plans
- 4. in accordance with the requirements of the applicable federal cost principles
- 5. reviewed by the agency's independent auditor as part of the annual audit



Indirect costs may not be used to meet the nutrition education or breastfeeding requirements, or client services.

K. PRORATING NSA COSTS

Costs should be allocated (or split) to appropriate fund sources and between WIC Administration, Client Services, Breastfeeding and Nutrition Education. See Policy 11.2 Budget Planning for more information.

L. PROGRAM INCOME

Gross income earned by an agency through activities funded in part or whole by a grant from the State WIC Office.

1. The amount of program income earned or spent is not collected or monitored by the State WIC Office. Local agencies must carefully account for program income, as it is an area that will be examined during an audit.
2. Sources of program income include:
 - a) Interest earned on advances of contract funds
3. Charitable monetary contributions solicited by or made to the WIC project, not including items, toys or other material gifts. Local WIC projects should take care not to solicit or accept contributions from WIC authorized vendors, as this may appear to be a conflict of interest.
4. Must be spent on allowable current costs of the WIC project, and in a manner consistent with the approved project budget.
5. Unexpended program income remaining at the end of the project contract period should be left in the local agency to be counted toward the next fiscal year contract, if awarded.

M. RECOVERED FOOD DOLLARS

Recovered food dollars from participants, proxies or vendors are not considered local WIC project income and must be forwarded to the State WIC Office to be deposited in the WIC account.